



February 6, 2007

H.R. 235 – To allow for the renegotiation of the payment schedule of contracts between the Secretary of the Interior and the Redwood Valley County Water District, and for other purposes

Floor Situation

H.R. 235 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Mike Thompson (D-CA) on January 9, 2007, and has not been considered by any committee in the 110th Congress.

H.R. 235 is expected to be considered on February 6, 2007.

Note: In the 109th Congress, the House of Representatives passed similar legislation (H.R. 5516) by voice vote on September 27, 2006. The Senate received the bill and did not act upon it or its Senate companion bill (S. 3189), which was introduced by Senator Diane Feinstein during the 109th Congress.

Summary

H.R. 235 amends section 15 of Public Law 100-516 by authorizing the Redwood Valley County Water District (District) to enter into non-Federal obligations as are necessary to finance procurement of dedicated water rights and improvements necessary to store and convey those rights to provide for the District's water needs if the Secretary of the Interior and the District have not renegotiated the schedule of payment as of January 1, 2006.

The bill requires that:

- Renegotiated schedule of payments shall start when such additional obligations have been financially satisfied by the District
- The date of the initial payment owed by the District to the United States shall be regarded as the start of the District's repayment period and the time upon which any interest shall first be computed and assessed under section 5 of the Small Reclamation Projects Act of 1956.

Background

In 1983, the Redwood Valley County Water District completed a project to supply water to a rural agricultural community near Ukiah, in Northern California. Two Bureau of Reclamation loans totaling \$7.3 million partially financed this project.

The District was unable to repay these loans for several reasons: The initial use projections developed by the District and reviewed by the Bureau were flawed; the District's ability to raise funds was restricted when a moratorium on new hook-ups was imposed; and concerns for endangered species reduced the District's water allotment by 15 percent.

Public Law 100-516 directed the Secretary to renegotiate the schedules of payment for certain loans to the Redwood Valley County Water District, California and suspends the obligation to repay such loans and interest charges until such renegotiated schedules take effect.

Cost

H.R. 235 has not been scored by the Congressional Budget Office.

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